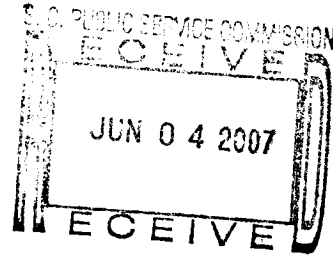




May 31, 2007

2006-270-E



Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, South Carolina 29210

Dear Mr. Terreni:

In compliance with the Public Service Commission's Order No. 18,100 in Docket No. 17,134 dated January 15, 1975; a request from the Executive Director dated September 30, 1987; Order Nos. 88-864 and 88-971 in Docket No. 88-11-E; and the officer verification certification enacted by the Commission on December 17, 2002, Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. submits the following information per its books and as adjusted for the 12-month period ending March 31, 2007:

1. Officer verification certificate
2. System Rate of Return on Rate Base - Exhibit A1
3. South Carolina Rate of Return on Rate Base - Exhibit A2
4. Return on Common Equity (Allocated to South Carolina Retail) - Exhibit B
5. Earnings Per Share on Progress Energy's Common Stock - \$3.18
6. Debt Coverage Ratio or Earnings to Fixed Charges - 4.46 times

na The allocations and adjustments required to determine the information requested in the Commission's orders and request are in general accordance with the allocation methodology described by the Commission in our most recent general rate case (Docket No. 88-11-E, Order No. 88-864). The level of detail encompassed in this report is not sufficient for ratemaking purposes.

Attached is a copy of this report, which I request that you stamp and return to me. If you have any questions, please call me at 919-546-7091.

Sincerely,

Michele de Lyon
Principal Business Financial Analyst
Progress Energy Service Company

21450

c: John Flitter

Enclosure

Progress Energy Service Company, LLC
P.O. Box 1551
Raleigh, NC 27602

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED MARCH 31, 2007

SYSTEM TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	4,173,432,234	(24,421,721)	4,149,010,513
OPERATING EXPENSE:			
NET O&M EXPENSES	2,526,492,437	(5,619,976)	2,520,872,461
DEPRECIATION	520,639,619	26,183,630	546,823,249
TAXES (OTHER THAN INCOME)	195,214,681	(856,513)	194,358,168
INCOME TAX - STATE	45,079,549	(17,287,738)	27,791,811
INCOME TAX - FEDERAL	324,034,899	(96,177,424)	227,857,475
PROV. FOR DEFERRED TAXES	(91,784,586)	69,541,042	(22,243,544)
INVESTMENT TAX CREDIT	(5,733,012)	-	(5,733,012)
TOTAL OPERATING EXPENSE	3,513,943,587	(24,216,979)	3,489,726,608
INCOME FOR RETURN:			
OPERATING INCOME	659,488,647	(204,742)	659,283,905
CUSTOMER GROWTH	6,423,417	(1,994)	6,421,423
INTEREST ON CUST. DEPOSITS	(3,467,740)	-	(3,467,740)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	662,444,324	(206,736)	662,237,588
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	14,283,550,725	353,341,026	14,636,891,751
PLANT HELD FOR FUTURE USE	2,423,484	-	2,423,484
RESERVE FOR DEPRECIATION	(7,312,319,574)	70,357,976	(7,241,961,598)
NET PLANT IN SERVICE	6,973,654,635	423,699,002	7,397,353,637
NUCLEAR FUEL INVENTORY	214,754,820	-	214,754,820
DEFERRED TAXES - LIB. DEPR.	(543,453,339)	56,426,895	(487,026,444)
REGULATORY ASSETS	65,511,376	(34,876,650)	30,634,726
WORKING CAPITAL:			
MATERIALS & SUPPLIES	824,277,728	(252,788,608)	571,489,120
CASH WORKING CAPITAL	410,826,760	-	410,826,760
UNCLAIMED REFUNDS	(7,575)	-	(7,575)
PREPAYMENTS	3,324,959	-	3,324,959
TAX ACCRUALS	(112,997,519)	-	(112,997,519)
CUSTOMER DEPOSITS	(62,347,932)	-	(62,347,932)
OPERATING RESERVES	(618,862,199)	-	(618,862,199)
CUSTOMER ADVANCES FOR CONSTR.	(22,221,384)	-	(22,221,384)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	421,992,838	(252,788,608)	169,204,230
TOTAL RATE BASE	7,132,460,330	192,460,639	7,324,920,969
RATE OF RETURN (%)	9.29		9.04

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED MARCH 31, 2007

S.C. RETAIL TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	539,729,690	(10,540,073)	529,189,617
OPERATING EXPENSE:			
NET O&M EXPENSES	374,227,234	(8,865,591)	365,361,643
DEPRECIATION	61,589,404	3,507,324	65,096,728
TAXES (OTHER THAN INCOME)	20,294,713	285,193	20,579,906
INCOME TAX - STATE	6,853,872	(2,442,862)	4,411,010
INCOME TAX - FEDERAL	25,243,017	(13,497,536)	11,745,481
PROV. FOR DEFERRED TAXES	(17,751,681)	17,290,398	(461,283)
INVESTMENT TAX CREDIT	(818,521)	-	(818,521)
TOTAL OPERATING EXPENSE	469,638,038	(3,723,075)	465,914,963
INCOME FOR RETURN:			
OPERATING INCOME	70,091,652	(6,816,998)	63,274,654
CUSTOMER GROWTH	188,850	(18,367)	170,483
INTEREST ON CUST. DEPOSITS	(317,829)	-	(317,829)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	69,962,673	(6,835,365)	63,127,308
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	2,062,763,504	50,892,012	2,113,655,516
PLANT HELD FOR FUTURE USE	349,056	-	349,056
RESERVE FOR DEPRECIATION	(1,052,720,588)	9,925,439	(1,042,795,149)
NET PLANT IN SERVICE	1,010,391,972	60,817,451	1,071,209,423
NUCLEAR FUEL INVENTORY	30,978,264	-	30,978,264
DEFERRED TAXES - LIB. DEPR.	(105,754,789)	1,199,304	(104,555,485)
REGULATORY ASSETS	12,885,983	(5,023,314)	7,862,669
WORKING CAPITAL:			
MATERIALS & SUPPLIES	104,984,006	(21,011,333)	83,972,673
CASH WORKING CAPITAL	60,626,374	-	60,626,374
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	544,126	-	544,126
TAX ACCRUALS	(13,736,133)	-	(13,736,133)
CUSTOMER DEPOSITS	(10,765,955)	-	(10,765,955)
OPERATING RESERVES	(88,206,148)	-	(88,206,148)
CUSTOMER ADVANCES FOR CONSTR.	(2,958,746)	-	(2,958,746)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	50,487,524	(21,011,333)	29,476,191
TOTAL RATE BASE	998,988,954	35,982,107	1,034,971,061
RATE OF RETURN (%)	7.00		6.10

PROGRESS ENERGY CAROLINAS
S.C. QUARTERLY REPORT
S.C. RETAIL - RETURN ON COMMON EQUITY
FOR THE TEST YEAR ENDED MARCH 31, 2007

PER BOOKS

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,660,175,521	51.40%	513,480,322	5.69%	29,217,030
PREFERRED STOCK	59,333,982	0.83%	8,291,608	6.09%	504,959
COMMON EQUITY	3,401,335,265	47.77%	477,217,023	8.43%	40,240,684
TOTAL CAPITALIZATION	7,120,844,768	100.00%	998,988,954		69,962,673

PER SHARE

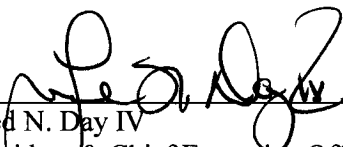
DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,595,203,620	51.65%	534,562,553	5.69%	30,416,609
PREFERRED STOCK	59,333,982	0.85%	8,797,254	6.09%	535,753
COMMON EQUITY	3,306,771,332	47.50%	491,611,254	6.54%	32,174,946
TOTAL CAPITALIZATION	6,961,308,934	100.00%	1,034,971,061		63,127,308

CERTIFICATION

(Certification must be signed by the Chief Executive Officer)

I, Fred N. Day IV, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2007 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.




Fred N. Day IV
President & Chief Executive Officer
Progress Energy Carolinas, Inc.

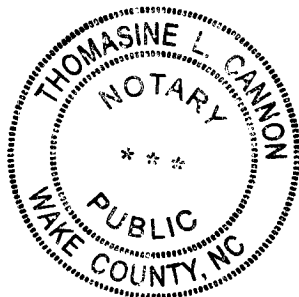
5/30/07

Date Signed

Subscribed and Sworn to before me this 30th day of May, 2007.



Notary Public
My Commission Expires: 9/18/2010

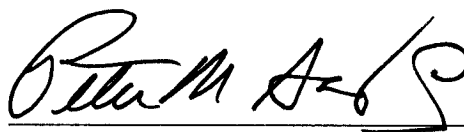


CERTIFICATION

(Certification must be signed by the Chief Financial Officer)

I, Peter M. Scott III, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

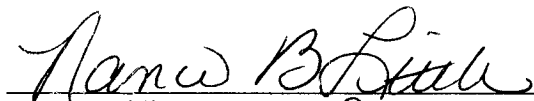
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Peter M. Scott III
Executive Vice President and Chief Financial Officer
Progress Energy, Inc.

May 31, 2007
Date Signed

Subscribed and Sworn to before me this 31 day of May, 2007.



Notary Public

My Commission Expires:

July 1, 2010